

Hearing Date and Time: November 30, 2006 at 10:00 a.m.
Objection Deadline: November 24, 2005 at 4:00 p.m.

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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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|-------------------------------------|----------|--------------------------------|
| In re: | : | x |
| | : | Chapter 11 |
| | : | |
| DELPHI CORPORATION, <i>et al.</i> , | : | Case No. 05-44481 (RDD) |
| | : | |
| Debtors. | : | (Jointly Administered) |
| | x | |

**RESPONSE OF UMICORE AUTOCAT CANADA CORP.
TO DEBTORS' SECOND OMNIBUS CLAIMS OBJECTION
AND TO DEBTORS' THIRD OMNIBUS CLAIMS OBJECTION,
AND LIMITED OBJECTION TO DEBTORS MOTION FOR ORDER ESTABLISHING
(I) DATES FOR HEARINGS REGARDING DISALLOWANCE OR ESTIMATION
OF CLAIMS AND (II) CERTAIN NOTICES AND PROCEDURES GOVERNING
HEARINGS REGARDING DISALLOWANCE OR ESTIMATION OF CLAIMS**

Umicore Autocat Canada Corp. ("UACC"), by and through its undersigned counsel Hogan & Hartson LLP, respectfully responds to the Second Omnibus Claims Objection dated October 31, 2006 (the "Second Omnibus Claims

Objection") and to the Third Omnibus Claims Objection dated October 31, 2006 (the "Third Omnibus Claims Objection"), and files this limited objection to the Motion For Order Establishing (i) Dates For Hearings Regarding Disallowance Or Estimation Of Claims and (ii) Certain Notices and Procedures Governing Hearings Regarding Disallowance Or Estimation Of Claims (the "Claim Procedures Motion") filed herein by Delphi Corporation and certain of its subsidiaries and affiliates, debtors and debtors-in-possession in the above-captioned cases (collectively, the "Debtors"), and states as follows:

1. Prior to the filing of the petitions for relief herein, UACC sold and provided products and services ("Pre-Petition Products and Services") to Delphi Automotive Systems LLC ("DAS") for the benefit of DAS and for the benefit of Delphi Corporation ("Delphi"). UACC continues to sell and provide post-petition products and services to DAS for the benefit of DAS and for the benefit of Delphi.

2. On July 28, 2006, UACC timely filed its claim for amounts outstanding and owed to it on account of Pre-Petition Products and Services against DAS in the amount of \$10,671,101.82 ("Claim No. 12924"). A true and correct copy of Claim No. 12924 is attached hereto as Exhibit A and is incorporated herein by reference. Attached as an exhibit to Claim 12924 is a five-page summary of outstanding amounts owed UACC for Pre-Petition Products and Services detailing the billing document numbers, references to the respective shipments and dates, and outstanding amounts. Claim 12924 was filed as a general, unsecured claim except that "[t]o the extent that the Reclamation Demand of Umicore Autocat

Canada Corp. (Reclamation Demand No. 419) is allowed under the Court's November 4, 2005 Amended Final Order Establishing Procedures For The Treatment Of Reclamation Claims (D.E. 881), that portion of this claim is entitled to priority as an administrative expense of the estate."

3. Claim 12924 is a subject of the Third Omnibus Claims Objection in which the Debtors allege that the amount of the claim should be reduced to \$10,340,843.74.

4. Claim 12924 is not denominated in foreign currency, does not include unmatured interest or post-petition interest, does account for all amounts paid or credited against the claim prior to the commencement of these cases (no payment on account of the claim has been received subsequent to the commencement of these cases, and is not misclassified as a priority or secured claim.

5. Upon information and belief, based on discussions held directly between UACC and the Debtors which began shortly after the commencement of these cases, the Debtors confirmed and agreed that, according to the Debtors' books and records, all but approximately \$80,000 of Claim 12924 is outstanding, owed and validly stated. This is significantly different than the reduction of \$331,000 which the Debtors now seek. UACC has already provided the Debtors with full documentation supporting Claim 12924.

6. In their Third Omnibus Claims Objection, the Debtors have not identified, much less established, any basis on which to challenge any part of the amounts outstanding as set forth in Claim 12924. the Debtors have not alleged any

mistake in the itemized statement of outstanding amounts, have not alleged any failure of delivery and have not alleged the existence of any unaccounted payments.

7. Claim 12924 should be allowed in the full amount of \$10,671,101.82 as a general, unsecured claim against DAS, except that to the extent that the Reclamation Demand of Umicore Autocat Canada Corp. (Reclamation Demand No. 419) is allowed under the Court's November 4, 2005 Amended Final Order Establishing Procedures For The Treatment Of Reclamation Claims (D.E. 881), that portion of Claim 12924 is entitled to priority as an administrative expense of the estate.

8. In the event that it is necessary for Claim 12924 to be estimated for the purposes of these cases before the Third Omnibus Claims Objection is resolved, Claim 12924 should be estimated in the full amount of \$10,671,101.82.

9. On July 28, 2006, UACC timely filed a second claim for amounts outstanding and owed to it on account of Pre-Petition Products and Services against Delphi in the amount of \$10,671,101.82 ("Claim No. 12923"). A copy of Claim No. 12923 is attached hereto as Exhibit B and is incorporated herein by reference. Attached as an exhibit to Claim 12923 is a copy of Claim 12924 including the five-page summary of outstanding amounts owed UACC for Pre-Petition Products and Services detailing the billing document numbers, references to the respective shipments and dates, and outstanding amounts. Claim 12923 was filed as a general, unsecured claim except that "[t]o the extent that the Reclamation Demand of Umicore Autocat Canada Corp. (Reclamation Demand No. 419) is allowed under the

Court's November 4, 2005 Amended Final Order Establishing Procedures For The Treatment Of Reclamation Claims (D.E. 881), that portion of this claim is entitled to priority as an administrative expense of the estate."

10. Claim 12923 is a subject of the Second Omnibus Claims Objection in which the Debtors allege that the amount of the claim should be expunged as a "duplicate".

11. Both prior to the filing of the Debtor's petitions for relief herein and subsequent thereto, UACC did business with DAS and Delphi and understood that both DAS and Delphi stood behind the obligations to pay UACC for products and services delivered.

12. In communication between UACC and DAS and Delphi, it was made clear that UACC has relied and continues to rely on both DAS and Delphi in standing by their obligations for UACC products and services delivered. Neither DAS nor Delphi has disputed this to date. These communications include writings and other documents which are in the possession of UACC and the Debtors.

13. Insofar as both DAS and Delphi are obligated to UACC with respect to the Pre-Petition Products and Services, UACC is entitled to a pre-petition claim against each of DAS and Delphi, jointly and severally. The allowance of such claims does not represent more than one recovery, but recognizes that the rights of a creditor which can look to more than one entity are different and distinct from those of a creditor which may look only to one entity for payment.

14. Claim 12923 should be allowed in the full amount of \$10,671,101.82 as a general, unsecured claim against Delphi, except that to the extent that the Reclamation Demand of Umicore Autocat Canada Corp. (Reclamation Demand No. 419) is allowed under the Court's November 4, 2005 Amended Final Order Establishing Procedures For The Treatment Of Reclamation Claims (D.E. 881), that portion of Claim 12923 is entitled to priority as an administrative expense of the estate."

15. Both Claim No. 12923 and Claim No. 12924 (collectively, the "UACC Claims") should be allowed, each in the amount of \$10,617,101.82, as unsecured pre-petition claims against DAS and Delphi respectively, save and except to the extent that one or both of the UACC Claims is entitled to other classification or treatment with respect to those portions of the claims which represent UACC's as yet unresolved reclamation claim (Number 419).

16. The Claims Procedures Motion, in paragraph 28(c), requests that this Court require that all creditor responses to a claim objection contain "all documentation or other evidence of the Claim". This is tantamount to an exceptionally broad and one-sided document production which is as unnecessary as it is unfair, particularly in light of the summary nature of the Debtors' omnibus claims objections. Further, many of the documents and other evidence which support Claim 12924 contain proprietary and other confidential information which should not be and need not be disseminated beyond UACC and the Debtors without appropriate confidentiality protections.

17. The Claims Procedures Motion, in paragraph 33, requests that this Court permit the Debtors to file and serve a reply to a creditor's response to a claim objection as late as 4:00 p.m. on the day immediately preceding the date of any hearing on such claim objection. Again, it is unnecessary and unfair to permit one side to a claim objection to litigate by surprise. The pleadings of each of the respective creditors and the Debtors should be filed and served in sufficient time before any hearing to permit the parties a reasonable opportunity to prepare for trial.

18. UACC reserves the right to amend, modify and supplement both the UACC Claims and this response.

Wherefore, the premises considered, Umicore Autocat Canada Corp. respectfully request that this Court enter its order:

a. Allowing UACC Claim No. 12924 in the amount of \$10,671,101.82 as a pre-petition unsecured claim against Delphi Automotive Systems LLC, save and except to the extent that Claim No. 12924 is entitled to other classification or treatment with respect to those portions of the claim which represent UACC's as yet unresolved reclamation claim (Number 419);

b. In the event that it is necessary for Claim 12924 to be estimated for the purposes of these cases before the Third Omnibus Claims Objection is resolved, Estimating Claim 12924 in the full amount of \$10,671,101.82

c. Allowing UACC Claim No. 12923 in the amount of \$10,671,101.82 as a pre-petition unsecured claim against Delphi Corporation, save

and except to the extent that Claim No. 12923 is entitled to other classification or treatment with respect to those portions of the claim which represent UACC's as yet unresolved reclamation claim (Number 419);

d. Denying the request contained in the Claims Procedures Motion, in paragraph 28(c), that all creditor responses to a claim objection contain "all documentation or other evidence of the Claim", without prejudice to the parties' discovery rights with respect to any claim and an objection to that claim.

e. Denying the request contained in the Claims Procedures Motion, in paragraph 33, that the Debtors be permitted to file and serve a reply to a creditor's response to a claim objection as late as 4:00 p.m. on the day immediately preceding the date of any hearing on such claim objection, and requiring instead that he pleadings of each of the respective creditors and the Debtors should be filed and served in sufficient time before any hearing to permit the parties a reasonable opportunity to prepare for trial.

f. Granting UACC such other and further relief the Court deems appropriate.

Dated: New York, New York
November 22, 2006

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CERTIFICATE OF SERVICE

I certify that true and correct copies of the foregoing were served electronically (where email addresses are indicated, otherwise by overnight delivery) on November 22, 2006 on the following:

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